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FM SECSTATE WASHDC  
TO AMEMBASSY KYIV PRIORITY  
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE  
AMEMBASSY BEIJING

S E C R E T STATE 161304

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TAGS: [ETTC](#) [PARM](#) [PREL](#) [MTCRE](#) [MNUC](#) [UP](#) [CH](#)

SUBJECT: (S) DEMARCHE ON POTENTIAL COOPERATION BETWEEN  
UKRAINE'S ARSENAL DESIGN BUREAU AND CHINESE BALLISTIC  
MISSILE ENTITIES; UPDATE RE. GOU'S MYERS/THIOKOL CONCERNS

REF: STATE 135358

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS 1.4  
(B), (C), AND (D).

[11](#). (U) This is an action request. Embassy Kyiv  
please see para 6.

[12](#). (S) Background/Objective: The United States has  
information indicating that as of late August 2007,  
Ukraine's Arsenal Design Bureau was planning to host a  
delegation from the Beijing Institute of Aerospace  
Control Devices (BIACD) for early September discussions  
involving a celestial guidance sensor. BIACD is  
responsible for the development of inertial guidance  
systems and gyroscopes for ballistic missiles, and we  
are concerned that any celestial guidance sensor  
technology provided by Arsenal to BIACD could be used  
by China in space launch vehicles (SLVs), submarine-  
launched ballistic missiles, or China's SC-19 direct  
ascent anti-satellite (ASAT) missile. We want to ask  
Ukrainian officials if this planned visit to Arsenal by  
BIACD representatives took place, and if so, request  
any available information on the topics discussed  
during this visit. (Note: A celestial guidance sensor,  
also known as a star tracker or gyro-astro compass,  
senses and measures the relative position of stars to  
determine its precise orientation within the star  
field, and hence the attitude of the space craft,  
launch vehicle, or missile to which it is attached.  
These items are controlled by the Missile Technology  
Control Regime (MTCR) under item 9.A.2. End note.)

[13](#). (S) In separate activity, we understand that in  
late August 2007, Arsenal was in the final stages of a  
deal to sell a high-accuracy gyrotheodolite to either  
the Yuanfeng Precision Machinery Research Institute or  
the Hongyang Machinery Factory, both of which are  
affiliated with the China Sanjiang Space Group (CSSG).  
CSSG is a producer of short-range ballistic missiles  
that are probably Missile Technology Control Regime  
(MTCR) Category I systems. Gyrotheodolites, which can  
be used to align guidance systems for mobile ballistic  
missiles, can be controlled under the MTCR if designed  
for use with Category I space launch vehicles or  
ballistic missiles. We want to ask GOU officials to  
investigate this activity, and take measures to ensure  
that Ukrainian firms are not supporting entities  
affiliated with China's MTCR-class ballistic missiles  
or SLV programs.

[14](#). (S) In another matter, we want to respond to  
Ukrainian inquiries related to possible contracts  
between the U.S. firms Myers and Thiokol and India's  
Cyano Chemisive Systems. The two U.S. firms were  
allegedly competitors of Ukraine's PCP in the  
competition to secure the contract to supply Cyano with  
batch mixers, and Ukrainian authorities were concerned  
that the U.S. firms had stepped in after the GOU  
terminated PCP's dealings with Cyano (Ref).

[15](#). (S//REL UKRAINE) The U.S. recently concluded its

investigation of this matter. This investigation found no information indicating that the U.S. firms Myers or Thiokol ever applied for a license to supply India's Cyano Chemisive Systems with batch mixers or related technology. Neither did the U.S. investigation uncover any evidence that the U.S. firms exported such equipment or technology to Cyano without a license, or that they engaged in any negotiations to enter into contracts with Cyano that could be related to the provision of such equipment or technologies. Barring the surfacing of additional information on this matter, we consider this issue closed.

¶6. (U) Action request: Department requests Embassy Kyiv approach appropriate host government officials (including MFA and National Space Agency officials) to deliver talking points in para 7 and report response. Points may also be left as a non-paper. In making the points concerning the Myers/Thiokol investigation, Post should indicate that we now consider this matter closed. However, we will of course review any additional information the GOU might provide relating to this case.

¶7. (SECRET//REL UKRAINE) BEGIN TALKING POINTS/NON-PAPER:

-- In the spirit of our nonproliferation partnership, we would like to raise with you two matters of proliferation concern and request your government's assistance in investigating these activities.

-- First, we have information indicating that as of late August 2007, a number of individuals from the Beijing Institute of Aerospace Control Devices (BIACD) were planning to travel to Kyiv and Kharkiv for early September discussions with representatives of Ukraine's Arsenal Design Bureau on a celestial guidance sensor.

-- BIACD is responsible for the development of inertial guidance systems and gyroscopes for ballistic missiles.

-- Celestial guidance sensors, also known as star trackers or gyro-astro compasses, could be used by China in space launch vehicles, submarine-launched ballistic missiles, or in China's SC-19 direct ascent anti-satellite (ASAT) missile. They are controlled by the Missile Technology Control Regime (MTCR) under item 9.A.2.

-- We would appreciate any information you have regarding cooperation between BIACD and Arsenal, including whether the visit by BIACD occurred. If so, we would be interested in what was discussed.

-- Second, in separate activity, Arsenal in late August 2007 was finalizing the sale of a UGT-A high-accuracy gyrotheodolite to China's Yuanfeng Precision Machinery Research Institute or the Hongyang Machinery Factory, both of which are affiliated with the China Sanjiang Space Group (CSSG).

-- CSSG produces short-range ballistic missile systems that are probably Missile Technology Control Regime (MTCR) Category I systems.

-- The Wuhan Sanjiang Import-Export Corporation - which is also subordinate to CSSG - was to serve as the intermediary for this sale.

-- Gyrotheodolites can be used in the alignment of ballistic missile guidance systems - especially in mobile systems. If designed for use with Category I space launch vehicles or ballistic missiles, they are controlled by the MTCR under 12.A.1.

-- We urge you to investigate this activity and to take measures to ensure that Ukrainian firms are not

supporting entities affiliated with China's MTCR-class ballistic missile and SLV programs, or with China's ASAT program.

-- Third, we want to respond to Ukrainian inquiries related to possible contracts between the U.S. firms Myers and Thiokol and India's Cyano Chemisive Systems.

-- The U.S. recently concluded its investigation of this issue. The investigation found no information indicating that the U.S. firms Myers or Thiokol ever applied for a license to supply India's Cyano Chemisive Systems with batch mixers or related technology.

-- Further, the U.S. investigation uncovered no evidence that the U.S. firms exported such equipment or technology to Cyano without a license, or that they entered into contracts with Cyano that could be related to the provision of such equipment or technologies.

-- While we consider our investigation complete, we would welcome any additional information on this issue that Ukraine is able to provide.

-- We look forward to continued cooperation on missile nonproliferation issues.

18. (U) Please contact ISN/MTR's John Paul Herrmann with any questions or follow-up related to this case (202-647-1430 - herrmannjp2@state.gov or herrmannjp@state.sgov.gov) and slug reporting on this issue for ISN/MTR and EUR/PRA.

19. (U) A word version of this document will be posted at [www.state.sgov.gov/demarche](http://www.state.sgov.gov/demarche).  
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